



February 6, 2001

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## HOUSE BILL No. 1789

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DIGEST OF HB 1789 (Updated January 30, 2001 11:58 AM - DI 96)

**Citations Affected:** IC 4-15.

**Synopsis:** State merit employment. Amends the policies and purposes of the state personnel act by adopting the current federal standards for merit systems of personnel administration. Provides that classified service vacancies shall be filled by means approved by the state personnel director in accordance with merit system principles. Repeals provisions that: (1) require the state personnel director to administer tests and certify eligible lists; (2) establish the career bipartisan personnel system; and (3) require each agency that employs engineers to adopt rules establishing a merit system. Retains preference for military veterans. Reconciles language on disqualification of applicants with the federal Americans with Disabilities Act. Makes conforming and other technical amendments.

**Effective:** July 1, 2001.

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**Liggett**

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January 17, 2001, read first time and referred to Committee on Labor and Employment.  
February 5, 2001, reported — Do Pass.

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HB 1789—LS 7134/DI 87+



February 6, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 1789

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A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-15-1.8-7 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) The department  
3 shall do the following:

4 (1) Develop personnel policies, methods, procedures, and  
5 standards for all state agencies.

6 (2) Formulate, establish, and administer position classification  
7 plans and salary and wage schedules, all subject to final approval  
8 by the governor.

9 (3) Allocate positions in the state agencies to their proper  
10 classifications.

11 (4) Approve employees for transfer, demotion, promotion,  
12 suspension, layoff, and dismissal.

13 (5) Rate employees' service.

14 (6) Arrange with state agency heads for employee training.

15 (7) Investigate the need for positions in the state agencies.

16 (8) Promulgate and enforce personnel rules.

17 (9) Make and administer examinations for employment and for

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promotions.

(10) Maintain personnel records and a roster of the personnel of all state agencies.

(11) Render personnel services to the political subdivisions of Indiana.

(12) Investigate the operation of personnel policies in all state agencies.

(13) Assist state agencies in the improvement of their personnel procedures.

(14) Conduct a vigorous program of recruitment of qualified and able persons for the state agencies.

(15) Advise the governor and the general assembly of legislation needed to improve the personnel system of this state.

(16) Furnish any information and counsel requested by the governor or the general assembly.

(17) Establish and administer an employee training and career advancement program.

(18) Administer the state personnel law, IC 4-15-2.

(19) Institute an employee awards system designed to encourage all state employees to submit suggestions that will reduce the costs or improve the quality of state agencies.

(20) Survey the administrative organization and procedures, including personnel procedures, of all state agencies, and submit to the governor measures to secure greater efficiency and economy, to minimize the duplication of activities, and to effect better organization and procedures among state agencies.

(b) Salary and wage schedules established by the department under subsection (a) must provide for the establishment of overtime policies, which must include the following:

(1) Definition of overtime.

(2) Determination of employees or classes eligible for overtime pay.

(3) Procedures for authorization.

(4) Methods of computation.

(5) Procedures for payment.

(6) A provision that there shall be no mandatory adjustments to an employee's established work schedule in order to avoid the payment of overtime.

~~(c) The state personnel advisory board shall advise the director and cooperate in the improvement of all the personnel policies of the state.~~

~~(d)~~ (c) By January 1, 1984, the department shall establish programs of temporary appointment for employees of state agencies. A program



established under this subsection must contain at least the following provisions:

- (1) A temporary appointment may not exceed one hundred eighty (180) working days in any twelve (12) month period.
- (2) The department may allow exceptions to the prohibition in subdivision (1) with the approval of the state budget agency.
- (3) A temporary appointment in an agency covered by IC 4-15-2 is governed by the procedures of that chapter.

SECTION 2. IC 4-15-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. This chapter shall be known and may be cited as the "State Personnel Act". This chapter shall be liberally construed to effectuate its policies and purposes to increase governmental efficiency **and responsiveness and** to ensure the appointment of qualified persons to the state service ~~solely~~ on the basis of ~~proved merit; to offer any person a fair and equal opportunity to enter the state service; and to afford the employees in state service an opportunity for public service and individual advancement according to fair standards of accomplishment based upon merit principles To these ends there is by this chapter established a personnel system based on merit and scientific methods relating to the appointment; compensation; promotion; transfer; lay off; removal; and discipline of employees and to other incidents of state employment: providing for the following:~~

- (1) Recruitment, selection, and promotion of employees on the basis of an individual's relative ability, knowledge, and skills, including open consideration of qualified applicants for initial employment in appropriate positions and consideration of relevant state experience for advancement.**
- (2) Providing equitable and adequate compensation.**
- (3) Training employees to ensure high quality performance.**
- (4) Retaining employees on the basis of the quality of the employees' performance, correcting inadequate performance, and separating from employment employees whose inadequate performance is not corrected.**
- (5) Ensuring fair treatment of applicants and employees in all aspects of personnel administration without regard to political affiliation, race, color, national origin, gender, religious creed, age, or disability, and with proper regard for the applicants' and employees' privacy and constitutional rights as citizens.**
- (6) Ensuring that an employee is protected from coercion for partisan political purposes and is prohibited from using the**



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employee's official authority for the purpose of interfering with or affecting the result of an election or nomination for office.

SECTION 3. IC 4-15-2-3.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3.7. "Regular employee" means an employee who has

- (1) ~~met the minimum qualifications;~~
- (2) ~~passed the examination;~~
- (3) completed the working test period and
- (4) ~~been certified by the appointing authority;~~

for a class of positions.

SECTION 4. IC 4-15-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) The director shall direct and supervise all administrative and technical activities. In addition to the duties imposed elsewhere in this chapter, the director shall do the following:

- (1) Establish and maintain a roster of all employees in the state service. Prepare or cause to be prepared and recommend a classification and pay plan. Administer the classification and pay plan. Allocate all positions in the state service to their proper class. ~~Formulate eligible lists. Certify persons qualified for appointment. Certify~~ **Approve** employees for **appointment**, transfer, demotion, promotion, suspension, layoff, and dismissal. Rate employees' services. Arrange with heads of the divisions of the service for employee training. Attend to and perform all other duties imposed by this chapter.
- (2) Appoint, under this chapter, ~~such~~ employees of the department and ~~such~~ experts and special assistants as may be necessary to carry out effectively this chapter.
- (3) Investigate systems of appointment and promotion already in operation in various departments or divisions of the state government.
- (4) Investigate and approve the need for positions, existing and to be created, in the state service.
- (5) Investigate from time to time the operation and effect of this chapter and of the rules and report the director's findings and recommendations to the board.
- (6) Administer, enforce, and make effective this chapter and the rules. Discharge all duties imposed upon the director by the board, and perform any other lawful acts which the director may consider necessary or desirable to carry out the purposes of this chapter.



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(b) The director shall appoint one (1) or more employees of the department to be the director's deputies.

(c) The director shall employ ~~such~~ expert or special examiners for the conduct of tests as may be required. The director may select officers or employees in the state service to act as examiners in the preparation and rating of tests. An appointing authority may excuse any employee in the authority's division of the service from the employee's regular duties for the time required for work as an examiner. Officers and employees shall not be entitled to extra pay for their service as examiners but shall be entitled to reimbursement for necessary traveling and other expense.

(d) The director shall adopt rules under IC 4-22-2 as the director may consider necessary, appropriate, or desirable to carry out this chapter.

(e) The director shall institute an employee awards system designed to encourage state employees to submit suggestions that will reduce the costs, or improve the quality, of state services. All full-time employees are eligible to receive suggestion awards except:

- (1) members of boards and commissions;
- (2) the chief executive officer of any agency or institution **and** the officer's principal deputies or assistants; or
- (3) persons whose normal job duties include cost analyses.

(f) A state suggestion committee shall determine the amount of any award to be given under subsection (e). The state suggestion committee consists of the state personnel director, the director of the budget agency, and the state examiner of the state board of accounts. Any officer of state who is made a member of the suggestion committee may delegate that responsibility to a subordinate employee.

SECTION 5. IC 4-15-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 8. ~~(a)~~ Whenever additional agencies or institutions are brought within the provisions of this chapter, either through a separate statute or by amendment to this chapter, persons in ~~such the~~ agencies or institutions who are in and have been in positions or similar positions in the state service not ~~theretofore~~ subject to the merit provisions of this chapter shall be entitled to continue to hold ~~such the~~ positions until they have an opportunity to acquire regular status. ~~Persons who have been in the same or similar positions for six (6) months or more shall receive regular status by passing a noncompetitive qualifying examination for the classification to which their position has been allocated. Persons with less than six (6) months' service in the same or similar positions shall hold their positions temporarily subject to the entrance examination requirements of this~~



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chapter. All qualifying examinations shall be held within one (1) year after the agency or institution is brought under this chapter, unless the period for holding such examinations is extended by the board with adequate reasons for such extension made a part of the official minutes of the board.

(b) Upon the recommendation of the director and the approval of the board, those employees in any department or division of the state government who have been appointed under a merit system satisfactorily complying with the provisions of this chapter may be brought into the classified service without examination and retain their existing position.

SECTION 6. IC 4-15-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 12. Vacancies in the classified service shall be filled only by

- (1) appointment from an eligible list certified by the director;
- (2) provisional appointments under section 22 of this chapter;
- (3) temporary appointments made under IC 4-15-1.8-7;
- (4) transfer, promotion or demotion of a regular employee; or
- (5) reinstatement under section 35 of this chapter.

means approved by the director in accordance with the merit system principles set forth in section 1 of this chapter.

SECTION 7. IC 4-15-2-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 16. The director may establish qualifications for admission to any test. Subject to such limitations as the director considers in the best interests of the service, admission to tests shall be open to all persons who appear to possess the required qualifications and may be lawfully appointed to a position in the class for which a list is to be established. The director may reject the application of any person for admission to a test or may strike the name of any person from a list or refuse to certify the name of any person on a list for a position if he finds that such person: **An application for employment may be rejected if it is determined that the applicant:**

- (1) lacks any of the required qualifications;
- (2) is physically unfit to perform effectively the duties **incapable of performing the essential functions** of the position in which **he the applicant** seeks employment;
- (3) is addicted to the habitual excessive use of drugs or intoxicating liquor;
- (4) **(3)** has been convicted for a crime or is guilty of any notoriously disgraceful conduct;
- (5) **(4)** has been dismissed from the public service for



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delinquency; or

~~(6)~~ **(5)** has made a false statement of a material fact or practiced or attempted to practice any fraud or deception in ~~his~~ **the** application or test or in attempting to secure appointment.

SECTION 8. IC 4-15-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 17. (a) The director shall ~~give adequate public notice of each entrance test, except as otherwise provided in section 26 of this chapter. inform any prospective applicant for state employment of the means and processes for obtaining state employment.~~

(b) The director may also advertise ~~tests in professional and trade publications, post notices of the tests in schools and colleges, and employ any other methods of publicizing tests which he considers appropriate.~~ **opportunities for employment in state service.**

(c) This section does not apply to noncompetitive qualifying promotional examinations.

SECTION 9. IC 4-15-2-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 18. ~~(a) The rating of each test shall be completed and the resulting list established not later than thirty (30) days after the date on which the test was held; unless such time is extended by the director for reasons which the director shall record in the official records of the department. The final earned rating of each person competing in any test shall be determined by the weighted average of the earned ratings of the test; according to weights for each phase established by the director in advance of the giving of the test. The names of all persons attaining the minimum final earned ratings established by the director in advance of the giving of the tests shall be placed upon the eligible list in order of their ratings. The names of persons who have indicated in writing that they are unwilling to accept appointment may be dropped from the list. All persons competing in any test shall be given written notice of their final earned ratings. Statements of former employers of the applicants shall be confidential. A manifest error in rating a test shall be corrected if called to the attention of the director; but such correction shall not invalidate any appointment previously made from such a list.~~

~~(b)~~ **(a)** In certification for appointment, in appointment, in reinstatement, and in reemployment in any state service, preference shall be given to former members of the military services of the United States who served on active duty in any branch of the armed forces and who at no time received a discharge or separation under other than honorable conditions, except corrected separation or discharge to read "honorable" as evidenced by appropriate records presented from the



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United States Department of Defense or appropriate branch of the military service.

~~(c)~~ **(b)** Preference shall be given in the following priorities:

(1) Former members of the military service who have established the present existence of a service connected disability of ten percent (10%) or more, as evidenced by records of the United States Department of Veterans Affairs or disability retirement benefits as evidenced by laws administered by the United States Department of Defense.

(2) The spouse of such service connected disabled veterans and the unremarried spouse of deceased veterans.

(3) Those former members of the military service who are wartime veterans.

(4) Veterans of the military service who served more than one hundred eighty-one (181) days on active duty, regardless of when served.

~~(d)~~ **(c)** In all written examinations to determine the qualifications of applicants for entrance into state service:

(1) ten (10) points shall be added to the earned rating of persons taking ~~competitive a written~~ examination under subsection ~~(c)(1) or (c)(2); (b)(1) or (b)(2);~~

(2) five (5) points shall be added to the earned ratings of persons taking ~~competitive a written~~ examination under subsection ~~(c)(3); (b)(3); and~~

(3) two (2) points shall be added to the earned rating of persons taking ~~competitive a written~~ examination under subsection ~~(c)(4); (b)(4).~~

~~(e)~~ **(d)** All points specified in subsection ~~(d)~~ **(c)** shall be added to the total combined test scores of the person and shall not be allocated to any single feature or part of ~~the competitive a written~~ examination. Rating shall be based on a scale of one hundred (100) points as the maximum attainable.

~~(f)~~ **(e)** When veterans preference in state service employment is limited to wartime veterans, this subsection applies for the purpose of defining "war":

(1) World War II - December 7, 1941, to December 31, 1946.

(2) Korean Conflict - June 27, 1950, to January 31, 1955.

(3) Viet Nam Conflict - August 5, 1964, to May 7, 1975.

(4) Actual combat or duty equally hazardous, regardless of time, or service in any foreign war, insurrection, or expedition, which service is recognized by the award of a service or campaign medal of the United States.



(5) Participation as a regularly assigned crew member of any military craft in a mission in support of a military operation, regardless of time, as designated by the armed forces of the United States.

(g) (f) Active duty consists of:

- (1) ninety (90) days or more wartime service;
- (2) ninety (90) days or more consecutive service which began or ended during wartime period;
- (3) ninety (90) days or more combined service in two (2) or more wartime periods;
- (4) service of less than ninety (90) days, if discharged for a disability in line of duty; or
- (5) service qualifying under subsection (f)(4) (e)(4) or (f)(5); (e)(5), which must be documented by appropriate records of the United States Department of Defense.

(h) In examinations where experience is an element of qualification; time spent in the armed forces of the United States shall be credited in a veteran's rating where the veteran's actual employment in a similar vocation to that for which the veteran is examined was interrupted by such service. In all examinations to determine the qualifications of a veteran applicant, credit shall be given for all valuable experience; including experience gained in religious; civic; welfare; service; and organizational activities; regardless of whether any compensation was received for the experience.

(i) In determining qualifications for examination; appointment; promotion; retention; transfer; or reinstatement; with respect to preference eligibles; the department shall waive requirements as to age; height; and weight; if the requirement is not essential to the performance of the duties of the position for which examination is given. The department; after giving due consideration to the recommendation of any accredited physician; shall waive the physical requirements in the case of any veteran; if the veteran is; in the opinion of the director; physically able to discharge efficiently the duties of the position for which the examination is given. No minimum educational requirement may be prescribed in any civil service examination except for such scientific; technical; or professional positions; the duties of which the department decides cannot be performed by a person who does not have such education. The director shall make a part of the department's public records the director's reasons for such decision.

(j) The names of preference eligibles shall be entered on the appropriate registers or lists of eligibles in accordance with their respective augmented ratings. The name of a preference eligible shall

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1 be entered ahead of all others having the same rating.

2 (k) The director shall adopt appropriate rules under IC 4-22-2 for  
3 the administration and enforcement of this section.

4 (†) (g) In any reduction in personnel in any state service, competing  
5 employees shall be released in accordance with ~~board~~ regulations  
6 which shall give due effect to ~~tenure of~~ employment ~~status~~, military  
7 preference, length of service, and efficiency ratings. The length of time  
8 spent in active service in the armed forces of the United States of each  
9 such employee shall be credited in computing length of total service.  
10 ~~Veteran's preference points shall be added to the retention score of a~~  
11 ~~preference eligible. When any of the functions of any state agency are~~  
12 ~~transferred to, or when any state agency is replaced by, some other state~~  
13 ~~agency or agencies, all preference employees in the function or~~  
14 ~~functions transferred or in the agency replaced shall first be transferred~~  
15 ~~to the replacing agency or agencies for employment in positions for~~  
16 ~~which they are qualified; before the agency or agencies appoint~~  
17 ~~additional employees from any other sources for such positions.~~

18 (m) (h) Any preference eligible who has resigned may, at the  
19 request of any appointing officer, be ~~certified for and~~ appointed to any  
20 position for which the preference eligible has been a regular employee  
21 in the state service.

22 (n) Any preference eligible who has been furloughed or separated  
23 without delinquency or misconduct, upon request, shall have the  
24 preference eligible's name placed on all appropriate registers and  
25 employment lists, for every position for which the preference eligible's  
26 qualifications have been established.

27 (o) Applicants claiming preference of their own service must submit  
28 either:

29 (1) original discharge or separation or certified copies or photostat  
30 copies of the originals;

31 (2) an official statement from the United States Department of  
32 Defense showing record of service; or

33 (3) an official statement from the United States Department of  
34 Veterans Affairs supporting the claim for disability.

35 SECTION 10. IC 4-15-2-19.5 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 19.5. (a) As used in this  
37 section, "individual with a disability" means an individual:

38 (1) with a physical or mental impairment that substantially limits  
39 one (1) or more of the major life activities of the individual; or

40 (2) who:

41 (A) has a record of; or

42 (B) is regarded as;



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1 having an impairment described in subdivision (1).

2 (b) Notwithstanding other provisions of this chapter, ~~the director~~  
3 ~~may waive minimum qualifications and an examination for an~~  
4 ~~approved individual upon certification by an Indiana rehabilitation~~  
5 ~~facility or the rehabilitation services bureau of the division of disability,~~  
6 ~~aging, and rehabilitative services~~ **may certify** that ~~the an~~ individual:

7 (1) is an individual with a disability; and

8 (2) possesses the required knowledge, skill, and ability to perform  
9 the essential functions of a position classification with or without  
10 reasonable accommodation or with special accommodation for  
11 supported employment.

12 (c) ~~The names of applicants~~ **An applicant** with a disability qualified  
13 under subsection (b) ~~shall be certified with or in addition to the names~~  
14 ~~certified on the eligibility list under section 19 of this chapter.~~ **may be**  
15 **appointed to a position in a classification for which the applicant**  
16 **has been certified.**

17 SECTION 11. IC 4-15-2-21 IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 21. (a) Every person  
19 appointed to a ~~position class~~ in the classified service ~~after certification~~  
20 ~~of his name from a promotion list or an eligible list~~ shall be tested by  
21 a working test while occupying ~~the a~~ **a position in the class**. The period  
22 of the working test shall commence immediately upon appointment and  
23 shall continue for such time as shall be established by the director. At  
24 least once during the working test period and in such manner as the  
25 director may require, the appointing authority shall prepare for the  
26 director a full performance appraisal of the employee's work. At any  
27 time after the first two (2) months of an employee's working test period,  
28 the appointing authority may remove an employee, if, in the opinion of  
29 the appointing authority, the working test indicates:

30 (1) that the employee is unable or unwilling to perform ~~his the~~  
31 **employee's** duties satisfactorily; or

32 (2) that ~~his the employee's~~ habits and dependability do not merit  
33 **his the employee's** continuance in the position.

34 Upon such removal, the appointing authority shall immediately report  
35 to the director and to the employee removed ~~his the appointing~~  
36 **authority's** action and the reason for the action. ~~No~~ **Not** more than  
37 three (3) employees shall be removed successively from the same  
38 position during ~~their the employees'~~ working test periods without the  
39 approval of the director. The appointing authority may remove an  
40 employee within the first two (2) months of ~~his the employee's~~  
41 working test period only with the approval of the director. The director  
42 may remove an employee during ~~his the employee's~~ working test



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1 period if ~~he~~ **the director** finds, after giving ~~him~~ **the employee** notice  
 2 and an opportunity to be heard, that the employee was appointed as a  
 3 result of error or fraud.

4 (b) Prior to the expiration of an employee's working test period, the  
 5 appointing authority shall notify the director in writing whether the  
 6 services of the employee have been satisfactory and whether ~~he~~ **the**  
 7 **appointing authority** will continue the employee in ~~his~~ **the**  
 8 **employee's** position. A copy of the notice shall be given to the  
 9 employee. No employee shall be paid for work performed after the  
 10 expiration of ~~his~~ **the employee's** working test period unless, prior to  
 11 the performance of the work, the appointing authority has notified the  
 12 director that the employee will be continued in ~~his~~ **the employee's**  
 13 position.

14 SECTION 12. IC 4-15-2-24 IS AMENDED TO READ AS  
 15 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 24. An appointing  
 16 authority may at any time assign an employee from one **(1)** position to  
 17 another position in the same class or rank in ~~his~~ **the employee's**  
 18 division of the service. Upon making such an assignment, the  
 19 appointing authority shall immediately give written notice of ~~his~~ **the**  
 20 **appointing authority's** action to the director. A transfer of an  
 21 employee from a position in one **(1)** division of the service to a position  
 22 in the same class or rank in another division of the service may be  
 23 made with the approval of the director and of the appointing authorities  
 24 of both divisions of the service. No employee shall be transferred from  
 25 a position in one **(1)** class to a position in another class of a higher rank  
 26 or for which there are substantially dissimilar requirements for  
 27 appointment unless ~~he~~ **the employee** is appointed to the latter position  
 28 ~~after certification of his name from a list~~ in accordance with this  
 29 chapter. Any change of a regular employee from a position in one **(1)**  
 30 class to a position in a class of a lower rank shall be considered a  
 31 demotion and shall be made only in accordance with the procedure  
 32 prescribed by section 34 of this chapter for cases of dismissal. An  
 33 employee thus demoted shall have the right to appeal under section 35  
 34 of this chapter. The removal of an employee from a promotional  
 35 working test is not appealable unless the removal results in a dismissal  
 36 or ~~lay-off~~ **layoff**.

37 SECTION 13. IC 4-15-2-25 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 25. Resignations from  
 39 the classified service shall be subject to such rules as the director may  
 40 prescribe. Any person who has resigned while in good standing from  
 41 the classified service and whose resignation has been accepted may, at  
 42 the discretion of the director, not later than two (2) years after the date



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1 of his ~~the person's~~ resignation, have his name placed on the  
 2 appropriate reemployment list by submitting a written request to the  
 3 director. ~~be reemployed in the same classification without~~  
 4 ~~requalfying under section 12 of this chapter.~~

5 SECTION 14. IC 4-15-2-32 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 32. (a) An appointing  
 7 authority may ~~lay-off~~ **lay off** employees in the classified service  
 8 whenever it is deemed necessary, due to shortage of work or funds, or  
 9 the abolishment of a position, or other material change in duties or  
 10 organization. For purposes of this section, offices and positions of  
 11 employment in each county where the division of service operates is  
 12 considered one autonomous unit and ~~lay-off~~ **layoff** procedures will  
 13 apply within the county affected by the ~~lay-off~~ **layoff**. When a ~~lay-off~~  
 14 **layoff** is necessary, the appointing authority will determine in which  
 15 class or classes the ~~lay-off~~ **layoff** or ~~lay-offs~~ **layoffs** will occur, the  
 16 number of employees to be laid off within each affected class, **and** the  
 17 county or counties where ~~lay-offs~~ **layoffs** are to occur and give written  
 18 notice to the director a reasonable time before the effective date of the  
 19 ~~lay-off~~ **layoff**. The director, in accordance with the rules, shall  
 20 compute retention points to determine the order of ~~lay-off~~ **layoff** within  
 21 each county. The retention points will be computed as of the effective  
 22 date of the ~~lay-off~~ **layoff** and will reflect systematic consideration of  
 23 seniority, service ratings, veterans' preference status, and employment  
 24 status. The director shall provide the appointing authority with a  
 25 written notice containing the names and retention points of employees  
 26 to be laid off in each county, and such orders relating to the ~~lay-off~~  
 27 **layoff** as deemed necessary to secure compliance with this section.

28 (b) ~~Any~~ **An** employee in the classified service who has been notified  
 29 of a pending ~~lay-off~~ **layoff** and who has permanent status in a lower  
 30 class has the right, provided ~~they have~~ **the employee has** more  
 31 retention points, to displace within the same affected county, the  
 32 employee with the least retention points in that lower class. ~~Any~~ **An**  
 33 employee in the classified service who has permanent status in a lower  
 34 class and is displaced by another employee has the right, provided ~~they~~  
 35 **have the employee has** more retention points, to displace within the  
 36 same affected county the employee with the least retention points in  
 37 that lower class. This procedure shall continue until the employee with  
 38 the least retention points in the lowest class, in the same affected  
 39 county, of the same appointing authority has been reached, and if  
 40 necessary, laid off. Should a layoff result in the closing of all offices in  
 41 a county, ~~any~~ **an** employee in the classified service who has been  
 42 notified of pending ~~lay-off~~ **layoff** and who has permanent status in the



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class from which ~~they are the employee is~~ laid off may, provided ~~they have the employee has~~ more retention points, displace within the division of service in any contiguous county the employee with the least retention points in that class.

(c) Employees who have been reduced or laid off will be ~~placed on appropriate re-employment lists~~ **offered reemployment** in accordance with rules established by the director. Those employees with the highest retention points in each affected class will be ~~placed at the top of the list entitled to the first offer of reemployment~~ followed by employees ~~ranked~~ in descending order **of the employees' retention points**. An employee who is laid off will retain ~~re-employment reemployment~~ rights for a period of one (1) year from the ~~lay-off layoff~~ date. During this one (1) year period, the appointing authority, for the division of service affected, shall not hire ~~nor or~~ promote anyone into a class affected by the ~~lay-off layoff~~ until all laid off employees ~~on the re-employment list for~~ **entitled to reemployment in** that class have been reinstated or decline the position when it is offered. Employees who fail to respond within five (5) days to a written offer sent to their last known address will be deemed to have declined. Even though a ~~lay-off layoff~~ applies only to affected counties, ~~re-employment rights extend to all counties; and~~ at the request of the laid off or reduced employee, ~~their name will be placed on the appropriate re-employment list for reemployment rights will extend~~ to any or all counties.

SECTION 15. IC 4-15-2-41 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 41. (a) No person shall make any false statement, certificate, mark, rating, or report with regard to any ~~test, certification, or~~ appointment made under any provision of this chapter or in any manner commit or attempt to commit any fraud preventing the impartial execution of this chapter and the rules.

(b) No person shall directly or indirectly give, render, pay, offer, solicit, or accept any money, service, or other valuable consideration for or on account of any appointment, proposed appointment, promotion, or proposed promotion to, or any advantage in, a position in the classified service.

(c) No employee of the division, examiner, or other person shall defeat, deceive, or obstruct any person in ~~his the person's~~ right to ~~examination; eligibility certification; or for~~ appointment under this chapter.

SECTION 16. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2001]: IC 4-15-1; IC 4-15-1.5-8; IC 4-15-2-2.9; IC 4-15-2-3.1; IC 4-15-2-3.2; IC 4-15-2-3.3; IC 4-15-2-3.4; IC 4-15-2-3.6;



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- 1 IC 4-15-2-13; IC 4-15-2-14; IC 4-15-2-15; IC 4-15-2-19; IC 4-15-2-22;
- 2 IC 4-15-2-26; IC 4-15-2.5; IC 4-15-3.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1789, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

LIGGETT, Chair

Committee Vote: yeas 13, nays 0.

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HB 1789—LS 7134/DI 87+

